

KOLESAR & LEATHAM
400 South Rampart Boulevard, Suite 400
Las Vegas, Nevada 89145
Tel: (702) 362-7800 / Fax: (702) 362-9472

NILE LEATHAM, ESQ.
Nevada Bar No. 002838
NATALIE M. COX, ESQ.
Nevada Bar No. 007662
KOLESAR & LEATHAM
400 South Rampart Boulevard
Suite 400
Las Vegas, Nevada 89145
Telephone: (702) 362-7800
Facsimile: (702) 362-9472
E-Mail: nleatham@klnevada.com
ncox@klnevada.com

Attorneys for Creditor
THE CRYSTALS AT CITYCENTER, LLC

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

IN RE:

BESO, LLC,

Debtor(s).

Case No. BK-S-11-10202-MKN

Chapter 11

DATE: September 26, 2011

TIME: 1:30 p.m.

**THE CRYSTALS AT CITY CENTER, LLC'S RESPONSE TO DEBTOR'S MOTION TO
SELL FREE AND CLEAR OF LIENS MOTION FOR ORDER (1) AUTHORIZING A
PRIVATE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS ASSETS FREE AND
CLEAR OF ANY AND ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER
INTERESTS; (2) APPROVING THE ASSET PURCHASE AGREEMENT IN
CONNECTION THEREWITH; AND (3) GRANTING RELATED RELIEF**

The Crystals at City Center, LLC ("Crystals"), by and through its counsel of the law firm of Kolesar & Leatham, hereby responds to Debtor's Motion to Sell Free and Clear of Liens Motion For Order (1) Authorizing A Private Sale Of Substantially All Of The Debtors Assets Free And Clear Of Any And All Liens, Claims, Encumbrances, And Other Interests; (2) Approving The Asset Purchase Agreement In Connection Therewith; and (3) Granting Related Relief [Dkt. 204] (the "Motion") as follows:¹

...

¹ This response is made and based on the following points and authorities, the pleadings and papers on file herein, the Declaration of Bruce Aguilera (the "Aguilera Declaration") filed in support hereof, and the argument of counsel that may be made at the hearing on this Motion.

1 **I. FACTS**

2 **A. The Bankruptcy Proceedings**

3 1. On January 6, 2011, Debtor Beso, LLC (“Debtor” or “Beso”) filed a voluntary
4 petition for relief under Chapter 11 of Title 11 of the United States Code §§ 101, et seq. (the
5 “Bankruptcy Code”), Case No. BK-S-11-10202-MKN.

6 2. On August 26, 2011, Debtor filed the Motion.

7 **B. The Lease**

8 3. Crystals is the owner of the commercial premises described generally as space
9 nos. 260, 360 and 264 (the “Premises”) in the retail shopping center commonly known as
10 Crystals, located at 3720 S. Las Vegas Blvd., Clark County, Nevada.

11 4. Debtor currently occupies the Premises as its sole business location pursuant to a
12 lease agreement dated March 11, 2009 (the “Lease”). Debtor identifies the Lease in Schedule G
13 of its Schedules and Statements. [Dkt. 1, pg. 27 of 47].

14 5. On August 17, 2011, the Court entered a Memorandum Decision On Debtor's
15 Emergency Motion For Approval Of Management Agreement Nunc Pro Tunc; Request For
16 Interim Relief Re Financing [Dkt. 194] wherein the Court confirmed that the Crystals lease
17 “shall be deemed rejected . . .” and that “[t]here is no apparent dispute that Crystals currently is
18 owed in excess of \$1.3 million in postpetition rent that would be entitled to administrative
19 priority.” See Dkt. 194, pg. 3, ln. 20, pg. 4, lns 1-2.

20 **C. Security Interest**

21 6. The Crystals has a perfected security interest in the Debtor’s property identified in
22 the UCC Financing Statement filed with the Nevada Secretary of State on June 17, 2010 in
23 document number 2010015229-4 (the “UCC-1”).

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1 **II. RESPONSE**

2 As set forth in the Aguilera Declaration, The Crystals does not oppose the sale to CHLN,
3 Inc.² The Crystals files this response to make clear the fact that as a result of the termination of
4 the Lease, the sale will not include the Lease.

5 DATED this 19th day of September, 2011.

6 **KOLESAR & LEATHAM.**

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8 By: /s/ Natalie M. Cox, Esq.

9 NILE LEATHAM, ESQ.

10 Nevada Bar No. 002838

11 NATALIE M. COX, ESQ.

12 Nevada Bar No. 007662

13 400 South Rampart Boulevard, Suite 400

14 Las Vegas, Nevada 89145

15 Attorneys for Creditor

16 THE CRYSTALS AT CITYCENTER, LLC

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28 ² The Crystals reserves all rights afforded it under the Lease and related documents, and pertinent law.